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SIPDIS

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SENSITIVE

DEPT FOR EB/TRA/OTP (HAYWOOD) AND EB/OES/QU (DIAMOND)
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COGARD FEACT YOKOTA AB JA FOR GRIFFITTS AND BLAIR
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SUBJECT: INDONESIA - COAST GUARD REVIEWS PORT SECURITY COMPLIANCE

REF: Jakarta 07666

11. (SBU) Summary. A team of U.S. Coast Guard officials found significant progress toward implementation of port security requirements under the International Shipping and Port Facility Code (ISPS) during a June 19-29 visit to four Indonesian ports. The team concluded that security conditions in three of the four ports ranged from 'adequate' to 'excellent', while conditions at Tanjung Emas port in Semarang were 'maturing but not yet implemented'. The team will recommend deferring a final determination on Indonesia's ISPS compliance until early 2007 because of concerns about the sustainability of ISPS security measures and the lack of consistent oversight by the Directorate General of Sea Transportation (DGST). The Coast Guard team encouraged DGST officials to expand recent security improvements at select ports to all Indonesian ports, and will request DGST submit a plan for security sustainability and oversight. They also offered assistance on improving vessel safety standards and practices in light of recent ferry accidents in Indonesia. End summary.

12. (SBU) A team of U.S. Coast Guard officials with the International Port Security Program visited Indonesia June 19-29 to review port facilities for compliance with ISPS security standards. The visit was the latest in a series of Coast Guard missions to Indonesia, during which they have performed site visits to 19 facilities in eight ports. The Coast Guard team reviewed security standards in the following locations during their June visit:

- Port of Tanjung Priok (Jakarta)
 - Jakarta International Container Terminal (JICT)
 - Pelindo II (Container and General Cargo)
- Port of Bontang (East Kalimantan)
 - PT Pupuk Kaltim (Fertilizer)
 - PT Badak LNG Terminal
 - PT Indominco Mandiri Coal Terminal
- Port of Dumai (East Sumatra)
 - Pelindo I (General Cargo)
 - Passenger Ferry Terminal
- Port of Tanjung Emas (Semarang - Central Java)
 - Semarang Container Terminal
 - Semarang Cruise Ship Terminal

Improved Security, but is it Sustainable?

13. (SBU) The Coast Guard found security conditions at Tanjung Priok and Dumai as adequate, conditions in Bontang as excellent, and Tanjung Emas (Semarang) as "maturing but not yet fully implemented". Captain Paul Gugg, head of the Coast Guard team,

commended DGST and port officials for making significant strides in improving security standards. Gugg attributed the rapid pace of improvements to the personal involvement of Transportation Minister M. Hatta Rajasa in the wake of his June 12 meeting with the Ambassador. At this meeting (ref), the Ambassador advised Rajasa of the possibility that the Coast Guard might issue a public Port Security Advisory (PSA) should it find that Indonesia had not substantially implemented the ISPS Code. A director-level DGST official accompanied the Coast Guard team to all facilities and kept Rajasa advised daily throughout the visit.

¶4. (SBU) Gugg noted in particular improvements at the cargo and container ports of Tanjung Priok and Dumai since previous visits by Coast Guard officials in September 2005 and May 2006. However, there was evidence that much of the improvement had occurred in the run-up to the Coast Guard's visit, when port officials had focused on tightening access control at facilities to be visited. While this effort demonstrated commitment and capability to improve security in the short term, Gugg underscored that port officials needed to continue refining security procedures at all ports in Indonesia to sustainable levels. The Coast Guard team noted that gate access control at several facilities was inconsistent, even though port officials had deployed a large number of security personnel. At Tanjung Priok in Jakarta, Indonesia's largest port, the head port official conceded that that his staff "may not be able to maintain" the level of security they demonstrated to the Coast Guard.

¶5. (SBU) Because of concern over sustainability of improvements, the Coast Guard recommended their evaluation of ISPS compliance in Indonesia remain "open" pending a further review early in 2007. In the interim, the Coast Guard requested the DGST provide a plan detailing how DGST will monitor and sustain security standards at ports across Indonesia, including a timetable for bringing all facilities into full compliance. For its part, the Coast Guard will submit a report to DGST in the next few weeks outlining their findings, and plans to assist the DGST through regular consultations in Indonesia by Singapore-based Coast Guard staff.

¶6. (SBU) The Coast Guard also noted that DGST has not yet issued ISPS Statements of Compliance (SOCs) to approximately 20 smaller facilities (out of nearly 220 total international facilities in Indonesia). These facilities receive international shipments only sporadically. The Coast Guard advised DGST to either prohibit international shipments at these smaller ports until it issues SOC's to them, or alternatively, to require ports to adopt formal security procedures sufficient to accomplish the intent of ISPS (without issuing an SOC) to cover those limited international shipments.

Coast Guard Offers Vessel Safety Assistance

¶7. (U) Given the recent rash of ferry accidents in Indonesia, Gugg offered Coast Guard assistance on vessels safety inspections, citing the Coast Guard's long history in ship and maritime safety. Gugg noted this is especially important given the high volume of passenger ferry traffic between hundreds of Indonesian islands. DGST officials responded enthusiastically to this offer. Gugg indicated the assistance could include consultations from regionally-based Coast Guard safety experts.

¶8. (SBU) Comment. The potential negative impact of a PSA on Indonesia's exports and international reputation clearly got Rajasa's attention, and the DGST has noticeably improved its oversight of port security conditions. However, consistent, nationwide implementation of ISPS in this far-flung nation will remain a significant challenge. The keys to keeping up momentum will be promptly delivering the Coast Guard written report to Rajasa and DGST staff, and maintaining a steady schedule of consultations in the run up to the next formal review in early 2007. End Comment.